FORM NO. 51-4AA

ARMY

CENTRAL INTELLIGENCE AGENCY

	CLASSIFICATION SECRET/CONTROL - U.S. OFFICE SECURITY INFORMATION	50X1-HUM
	INFORMATION REP	ORT REPORT
	INFORMATION REI	
		CD
COUNTRY	Germany (Russian Zone)	DATE DISTR. 16 April 1952
SUBJECT	Stahlwerk Silbitz and Stahlwerk Krautheim, Chemnitz-Borna (SAG Marten); Raw Materials	NO. OF PAGES 3
DATE OF INFO.	Affecting SAG Marten Production	NO. OF ENCLS.
PLACE ACQUIRED		SUPPLEMENT TO 50X1-HUN REPORT NO.
OF THE UNITED ST	ONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS	UNEVALUATED INFORMATION 50X1-HL
		3371116
1.	Stahlwerk Silbitz (SAG Marten) - formerly Oswa	ald Kunsch works.
	a. New Reparations Orders	50X1-HU
	1) For Unruh u. Liebig (SAG Transmasch),	
	5 November 1951: steel ca cranes, to be mounted on railroad tru	stings for 20 railroad rotating cks.
	2) For Bleichert (SAG Transmasch), Leipz	ig: 50X1-HU
	ll November 1951: steel c	astings for rotating grabber
,	3) Direct order for the USSR: 14 tons o mills cast from 12-14% manganese stee via Rostock to the USSR. Under the s (SAG Transmasch), Magdeburg-Buchau, w (SAG Marten), Chemnitz-Borna, 30 tons	ane order Schaeffer u. Budenberg
	b. Research	
	In accordance with instructions issued by of SAG Weissensee in August 1951, the Sil the experimental production of:	the General Administration bitz works was to undertake
	V2A steel, with a content of 18% chroval v4A steel, with a content of 18% chromolybdenum.	omium and 9% nickel. omium, 9% nickel and 2%
	These experiments have not been started, with a maximum carbon content of 0.06% an	due to the lack of ferro-chromium ad molybdenum.
	CLASSIFICATION SECRET/COMPROL - U.S.	OFFICIALS ONLY

SECRET/COMTROL - U.S. OFFICIALS ONLY

- 2 -

c. Production

Steel blocks supplied by Stahlwerk Silbitz to the Hettstedt works of SAG Marten are used by the latter, among other things, for the production of a low carbon content iron (Armco-Eisen) and nickel alloy, which is then drawn into fine wire (diameter 0.1 mm.-0.3 mm.) for use in the manufacture of magnetic measuring instruments (magnetische Messgeraete).

- 2. Stahlwerk Krautheim, Chemnitz-Borna (SAG Marten) formerly G.Krautheim.
 - a. General
 - 1) This branch of SAG Marten controls the Altendorf works near Chemnitz and the Borna works, with a total of 2,400 employees.
 - 2) Personalities:

Generaldirektor: Bokherov (fnu) - Russian. Chefdirektor: Sicker (fnu) - German. Kaufm. Direktor: Kehr (fnu) - German.

3) Customers

Indirect reparations orders, mainly for the following works of SAG Amo:

Krupp-Gruson, Magdeburg-Buckau. Peniger Maschinenfabrik, Penig, Sachsen . Henry Pels, Erfurt.

b. Altendorf Works

- 1) Equipment: 1 cupola furnace.
- Production: cast iron and malleable cast iron in crude and finished castings.
- c. Borna Works

 - Production: Steel castings (especially bearing and wheel box castings for railroad cars); manganese and chromium steel; castings in crude and finished form.
- 3. Status of Raw Materials Affecting SAG Marten Production.

a. Shortages

50X1-HUM

obtaining molybdenum or other metals for ferro-alloys

the DDR would be entirely dependent on the USSR for supplies.

Negotiations in this connection had been started but, so far, the Russians had made no promises.

50X1-HUN

Lack of molybdenum is still causing a serious bottleneck in the DDR steel industry. The molybdenum stocks of the DDR government agencies and of the Versorgungskontor der SAG Betriebe, Berlin-Lichtenberg, are completely exhausted. As a result of this, orders for case-hardening steel castings (for temperatures down to minus 45°C.) are at a standstill in all DDR steel works.

SECRET/CONTROL - U.S. OFFICIALS ONLY

	- 3 -
ъ.	Deliveries
	Plentiful supplies of pig iron from the USSR were allocated and delivered to all works of SAG Marten during the last months of 1951. The Silbitz works received a total of 3,500 tons between mid-October and the end of November 1951.
	Deliveries of scrap iron failed to materialize. A representative of SAG Marten who called on VHZ Schrott, Berlin NW 7,* on 4 December 1951 to complain about the non-delivery, was informed that on the instructions of the Amt fuer Materialversorgung, the VEB Stahlwerke at Groeditz, Brandenburg, and Riesa must be given first priority.

Sanitized Copy Approved for Release 2011/03/03 : CIA-RDP82-00457R011300360001-0

SECRET/CONTROL - U.S. OFFICIALS ONLY

50X1-HUM

SECRET/CONTROL - U.S. OFFICIALS ONLY